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June 26, 2018

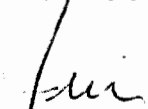
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 16312

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an application for a non-standard unit and compulsory pooling, together with a proposed advertisement. Please set the application for the July 26, 2018 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

COG Operating LLC
600 W. Illinois Avenue
Midland, Texas 79701
Attn: Outside Operated Properties

Crown Oil Partners V, LP;
Crump Energy Partners II, LLC;
Nadel and Gussman Delaware, LLC
P.O. Box 50820
Midland, Texas 79710
Attn: Brian Arnold

Fasken Land and Minerals, Ltd.
6101 Holiday Hill Road
Midland, Texas 79707
Attn: Ms. Linda Hicks

T.I.G. Properties, L.P.
P.O. Box 1343
Midland, Texas 79702

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, Texas 77056
Attn: Mr. Matt Brown

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY FOR
A NON-STANDARD SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 16312

APPLICATION

Mewbourne Oil Company applies for an order approving a 480 acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the SW/4 of Section 21 and the W/2 of Section 28, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the SW/4 of Section 21 and the W/2 of Section 28, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
 - (a) The Kansas 21/28 W0LM Fed. Well No. 2H; and
 - (b) The. Kansas 21/28 W2LM Fed. Well No. 1H.

They are horizontal wells with surface locations in the NW/4SW/4 of Section 21, and bottomhole locations in the SW/4SW/4 of Section 28. The producing interval of each well will be orthodox. The wells will be dedicated to the non-standard unit comprised of the SW/4 of Section 21 and the W/2 of Section 28.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SW/4 of Section 21 and the W/2 of Section 28 for the purposes set forth herein.

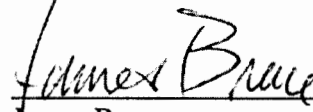
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the SW/4 of Section 21 and the W/2 of Section 28, pursuant to NMSA 1978 §70-2-17.

5. Approval of the non-standard spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the SW/4 of Section 21 and the W/2 of Section 28, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard spacing and proration unit in the Wolfcamp formation comprised of the SW/4 of Section 21 and the W/2 of Section 28;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the SW/4 of Section 21 and the W/2 of Section 28;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 163/2:

Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation comprised of the SW/4 of Section 21 and the W/2 of Section 28, Township 24 South, Range 28 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to (i) the Kansas 21/28 WOLM Fed. Well No. 2H, and (ii) the Kansas 21/28 W2LM Fed. Well No. 1H. Both wells are horizontal wells with surface locations in the NW/4SW/4 of Section 21, and bottomhole locations in the SW/4SW/4 of Section 28. The producing interval of each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3 miles southwest of Malaga, New Mexico.

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